

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
W. R. GRACE & CO., <u>et al.</u> , ¹)	Case No. 01-1139 (JKF)
)	Jointly Administered
Debtors.)	

**DEBTORS' SECOND QUARTERLY REPORT OF ASSET SALES FROM
OCTOBER 1, 2001 THROUGH DECEMBER 21, 2001 IN ACCORDANCE
WITH THAT CERTAIN ORDER ESTABLISHING PROCEDURES
FOR THE SALE OR ABANDONMENT OF DE MINIMIS ASSETS**

PLEASE TAKE NOTICE that pursuant to that certain Order Establishing Procedures for the Sale or Abandonment of De Minimis Assets dated August 2, 2001, the Debtors are to file with the Court a list of: (a) the sales of the Debtors' assets outside of the ordinary course of business for consideration less than or equal to \$250,000, during the period of October 1, 2001, through December 31, 2001 (the "Sale Period"), including the names and addresses of the purchasing party and the types and amounts of the sales; and (b) the aggregate dollar amount of the sales of the

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Debtors' assets outside of the ordinary course of business during the Sale Period for consideration less than or equal to \$25,000. The list of the sales of such assets is attached hereto as Exhibit A.

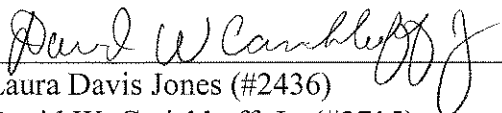
PLEASE TAKE FURTHER NOTICE that the Debtors may have sold assets during the Sale Period which inadvertently were not listed herein. Such asset sales will be disclosed in future reports filed with the Court.

Dated: January 31, 2002

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W. R. Grace & Co., et al.
District of Delaware, Bankruptcy Case No. 01-1139
Report on *De Minimis* Asset Sales as of December 31, 2001

Part I – Sales in excess of \$25,000, but less than \$250,000.

The Debtors sold assets outside of the ordinary course of business with a value of more than \$25,000 but less than \$250,000 during the Sale Period as follows:

1. On August 16, 2001, the Debtors sold nitrogen oxide (NOX) emission credits in California for \$169,357.50 to Cantor Fitzgerald & Co., 345 California Street, Suite 1260, San Francisco, CA 94104.

Part II – Sales less than \$25,000

The Debtors sold an aggregate of \$20,000 of assets outside of the ordinary course of business during the Sale Period, each of which was for consideration less than \$25,000.